

FROM : SAUNDERS ASSOCIATES

PHONE NO. : +809 1913

Oct. 19 1995 09:30PM P12

CONFIDENTIAL DISCLOSURE AGREEMENT

THIS AGREEMENT is made the 12th day of May 1988

BETWEEN

REDOX TECHNOLOGIES INC. of 6 Spencer Court, Wyckoff, New Jersey, United States of America and JOHN KOLLAR of the same address and EDWARD WALTER SAUNDERS of 26 Yeovil Road, Burwood, Victoria and PETE SAUNDERS & ASSOCIATES PTY, LTD. also of the last mentioned address (hereinafter jointly called "Redox") of the one part

AND

ARCO CHEMICAL COMPANY of 3801 West Chester Pike, Newtown Square, United States of America (hereinafter called "Arco") of the other part

WHEREAS:

- A. John Kollar (hereinafter called "Kollar") is the inventor of a process for the production of ethylene glycol from methanol and an organic peroxide (hereinafter called the "Process") and is the owner of United States Patents

4412085, 4412084 and 4393252 in relation thereto. The said Kollar is also the inventor named in United States Patent 4337371 which has been assigned to Redox Technologies Inc. which company is associated with the said Kollar.

- B. Redox proposes to commercialise the Process. Redox has prepared or procured the preparation of a confidential report assessing the economic viability of commercialising the Process which Report contains confidential technical, business, marketing and other economic data.
- C. Redox has agreed to disclose this report together with such other information as Arco might request on the terms and conditions set out herein strictly for Arco to evaluate whether it wishes to enter into an arrangement with Redox relating to their Process.

THE PARTIES HEREBY AGREE as follows:

Definitions

"the Report" means the comprehensive economic report prepared by or on behalf of Redox in relation to the Process and its commercialisation and specifically includes such further information which may be provided orally or in writing by Redox to Arco relating to the Process or any aspect of the commercialisation of the Process pursuant to this Agreement. For the purposes of this

definition, "in writing" includes, without limiting the generality thereof, all hard copy forms of data storage and storage on magnetic and other media.

"Information" means the Report and all other data or information of any kind whatsoever relating to any aspect of the Process including, without limiting the generality thereof, information regarding markets, the technology, the economics of the project and costs thereof which has or may be disclosed to Arco pursuant to this Agreement.

"the Evaluation" means the consideration by Arco of the Information with a view to Arco deciding whether or not it will enter into an arrangement with Redox relating to the Process.

1. In consideration of the obligations of Arco hereinafter contained, Redox shall provide Arco with the Report and such further information as in the reasonable opinion of Redox is necessary for Arco to carry out the Evaluation. In the event that Arco requires further Information then it may request such further information from Redox and Redox will provide such information in its free possession or control as in the opinion of Redox is reasonable.
2. Arco hereby agrees that all Information disclosed by Redox pursuant to this Agreement shall be subject to the following conditions:

- (a) Arco shall treat all Information received in the strictest confidence and, subject to paragraphs (b) and (d) below, without the prior consent in writing of Redox, shall not directly or indirectly disclose all or any part of the Information to any third party and shall not use all or any part of the Information for any purpose other than the carrying out of the Evaluation.
- (b) Subject to paragraph (c) below the obligations contained in paragraph (a) above shall not apply to any part of the Information which:
- (i) is already known to Arco at the time of disclosure hereunder as established by the prior written records of Arco;
 - (ii) is now or hereafter becomes through no act or failure to act on the part of Arco generally known or available to the public;
 - (iii) is furnished to Arco after the date of disclosure hereunder by a third party without breach by that third party of any obligation to Redox.
- (c) (i) No information which is specific shall be deemed to be within any of the foregoing exceptions merely because it is embraced by more general information which falls within any one or more of the exceptions set out in paragraph (b) above.

- (ii) In addition, any combination of features shall not be deemed to be within any of the exceptions set out in paragraph (b) above merely because individual features fall within any one or more of those exceptions but only if the combination itself falls within any one or more of those exceptions.
- (d) Arco may disclose all or part of the Information received from Redox to its employees who are directly involved in the Evaluation but only to the extent as may be reasonably required by such employee for the carrying out of his or her function in relation to the Evaluation and in such case Arco shall ensure that any such employee to whom all or such part of the Information is disclosed shall retain same in confidence on the same terms and conditions as are contained herein, this paragraph excepted.
- (e) Arco shall not reproduce the Information in any form except as may be reasonably required to complete the Evaluation. "Reproduce" shall include store in or on magnetic or other storage media, microfiche or by any other means whatsoever.
- (f) The Information may be used by Arco for the purposes of the Evaluation for a period of four months from the date hereof. Upon the expiration of such period or earlier on the written request of Redox, Arco shall

return all Information howsoever represented or stored, except that one copy of all such Information shall be retained by Arco's legal department for record purposes only.

(g) As between Arco and Redox all Information shall remain the property of Redox, and Arco shall not obtain any legal or equitable right to all or any part of the Information.

3. Notwithstanding the prior termination of this Agreement the obligations of confidence, non-disclosure and non-use contained herein shall apply for a period of ten years from the date hereof.
4. This Agreement and the agreement of April 23, 1987 between Arco and Redox Technologies, Inc. constitute the entire understanding between the parties in relation to the Information and the Evaluation. Nothing herein shall be construed so as to oblige any party to enter into any further agreement and Arco acknowledges that no representation or warranty whatsoever has been made by or on behalf of Redox in relation to the Information, and that it must fully test and assess the Information using its own resources to satisfy itself as to all matters touching upon the Information, the Process and the commercialisation thereof.
5. This Agreement shall be construed in accordance with the laws of the State of New Jersey.

6. Any notice or consent to be given to or by Redox pursuant hereto may be given to Edward Walter Saunders at his address noted above or by him on behalf of Redox.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinbefore written.

REDOX TECHNOLOGIES, INC.

By John Kollar
Title _____

By John Kollar
John Kollar

By E.W. Saunders
Edward Walter Saunders

PETE SAUNDERS & ASSOCIATES PTY. LTD.

By E.W. Saunders
Title Director.

ARCO CHEMICAL COMPANY

By W. Hill *W*
Title _____